



Bar Harbor Planning Board

93 Cottage Street • Suite 1 • Bar Harbor • Maine • 04609-1400

Planning Board Workshop

Wednesday, February 23, 2022 at 5:00 PM

Via Zoom Webinar

AFFRODABLE HOUSING

(DATA, LOCAL PROGRAMS/PROJECTS, AND STATE FUNDING)

NOTES

Planning Board members present were Chairperson Tom St. Germain, Secretary Millard Dority, and members Ruth Eveland, Elissa Chesler and Earl Brechlin. Vice-chairperson Cough was not able to be brought into the Zoom room but he did, however, listen to the meeting.

Town staff members present were Planning Director Michele Gagnon, Assistant Planner Steve Fuller, Code Enforcement Officer Angela Chamberlain and Deputy Code Enforcement Officer Mike Gurtler.

Speakers attending were Clyde Barr, Policy Analyst for Maine Housing; Duane Bartlett, Executive Director for Mount Desert Island and Ellsworth Housing Authorities; and Marla O'Byrne Executive Director for the Island Housing Trust.

Chairperson St. Germain opened the workshop at 5:00 PM.

There were no public comments, though several members of the public did attend.

Mr. Barr, Policy Analyst for Maine Housing, explained that housing is important, as it is the center of the community and it leads to better employment and family stability. He explained that the term 'vacant housing units' basically includes second homes and vacation rentals, and that area median income is based on family size. He gave the board an overview of the State's Housing Development Toolkit: providing by-right development, streamlining permitting process, providing zoning provisions for inclusionary housing, tax abatements, the elimination of off-

street parking requirements, providing for high-density and multi-family zoning; and accessory dwelling units. Attachment A includes Mr. Barr's PowerPoint presentation with updates that were made after the workshop, as requested, consisting of data for the towns of Trenton and Lamoine.

Duane Bartlett, Executive Director of the Mount Desert Island (MDI) and Ellsworth Housing Authorities, explained that there are five housing authorities under his organization. Each of the four island towns have one and the fifth one is in Ellsworth. The MDI and Ellsworth Housing Authorities administer 331 Section 8 Housing Choice Vouchers representing a value of about \$2.7 million. This program provides rental assistance to income-eligible tenants by subsidizing a portion of their rent and utilities and paying it directly to the landlord. The income guidelines are based on the area median income for Hancock County. In Bar Harbor, there are 22 section 8 vouchers and six of them are project-based. Mr. Bartlett said that many people have been priced out of the Bar Harbor market and consequently have left. He remarked that this has lessened the pressure for subsidized housing units. He said subsidized housing is not the town's biggest need, it is workforce housing. In a follow-up email to Planning Director Gagnon (Attachment B), Mr. Bartlett explained that at this time the waiting list for subsidized housing in Bar Harbor is composed of 44 eligible applicants — nine are from Bar Harbor, 12 are from other towns in Hancock County, and 23 are from outside of Hancock County.

Mr. Bartlett said his organization manages 138 housing units in Bar Harbor. Of these, only 12 are family units and the rest are for elderly and/or people with disabilities. There are 74 units at the Malvern Belmont Estates [all 1-bedroom units] located on Mount Desert Street. The Rodick Loraine Apartments on the Eagle Lake Road include 48 units [eight 2-bedroom units and 40 1-bedroom units]. The Prospect and Eden Apartments on Woodbury and Eden streets include 16 units [two 3-bedroom units, ten 2-bedroom units, and four 1-bedroom units]. They also partner with Meals on Wheels. In 2021, 22,000 meals were delivered.

In the mid-1990s, the Bar Harbor Housing Authority was involved with an affordable land subdivision development called West Eden Meadow. Twelve lots were sold at 125% of the area median income and two lots were sold at market price. Affordability is maintained through deed restrictions, see Attachment C.

The organization was also involved with the Northeast Creek Subdivision, a 31-house low-impact development that were supposed to be sold at an affordable price. However, issues came up and to recuperate its costs, only three houses ended up being sold at an affordable price.

Marla O'Byrne, Executive Director for the Island Housing Trust (IHT), said that her organization is there to support vibrant communities through the creation of housing on the island. IHT focusses on assisting people who earn between 100% to 160% of the median income (at least \$15/hour) and agree to live on the island year-round (see Attachment D for more information from their website).

IHT is working to create affordable housing from several angles and to create affordability long-term. Ms. O'Byrne explained that the IHT's first project was in the Town of Mount Desert on Beechill Road. This site now has nine affordable houses and there is more underway. Other efforts include:

- Purchasing fixer-uppers (in 2010 and 2011)
- Homeownership program to assist with down payments (16 houses were purchased)
- Accepting land donations
- Working with homeowners who want to sell their house below market price (two houses)

IHT holds affordability covenants on 38 homes on the island. Ten of these are in Bar Harbor (31 residents). There have been 11 re-sales of these houses.

The wait-list ranges between 45 and 80 people.

Ms. O'Byrne explained that long-term affordability is attained through multiple means such as:

- Contract between IHT and the owner.
- Right of first refusal — this was used once, when an owner's financial situation changed and the house was no longer affordable. The trust purchased the home, remortgaged, and the house went back to the owner.
- Granting of subordinate mortgage to IHT — this helps owners who are struggling to pay their taxes, as the trust is made aware and can step in as needed and protect the investment.
- Maximum re-sale formula (incorporates the qualified improvements and sets the maximum re-sale price of the house).
- Stewardship fund — assists with catastrophic circumstances.
- Land lease — land is tax-exempt, 99-year lease. This results in the owner paying about \$244/year. This is not something banks like. Jones Marsh Subdivision is structured that way.
- Yearly check-in — to ensure that the owners are still living there and allows for a conversation to see if there is need to re-mortgage and if they are looking at doing improvements.

When Ms. O'Byrne was asked what were the biggest hurdles to affordability in Bar Harbor, she said it included land availability and affordability, permitting (time, long process, and lots of soft costs), and problems with the Land Use Ordinance. Planning Director Gagnon went on to explain the process/number of meetings needed for a subdivision. She qualified the process as extensive especially compared to a site plan (Attachment E).

It was mentioned that we should list and map the locations of affordable housing units in Bar Harbor.

In response to a question about what is IHT's maximum capacity, Ms. O'Byrne said that this has not been discussed. However, she said that they ask the following questions before undertaking

projects: Does it fit in the community? Do we have the funding? And, do we have the staffing to manage it?

Clyde Barr said that we need to understand housing affordability on a regional basis, and that people need to be able to live in the area where they work. He also said that transportation and housing are closely linked, and as the further you go, the more transportation cost there is. He added that when workers live further it weakens the community. Transportation and housing are a push-pull association. If you want a strong community, you want people to be able to live where they work.

Clyde Barr spoke about the financing program offered by Maine Housing for both home buyers and renters. He introduced the First Home Loan Program and noted that a 640+ credit score is required to qualify; the new Single-Family program; the Multi-Family program; and other programs such as Community Solutions.

Nina St. Germain, on behalf of the Bar Harbor Chamber of Commerce, spoke during the public comment period. She said that the chamber recommends the following changes to the Land Use Ordinance to incentivize the creation of housing: increase height limits and lot coverage, and decrease area per family and setbacks. Also, she said that we should allow multi-family dwelling units in more zoning districts. She also said that the town may want to inform businesses of what the Employee Living Quarters and Shared Accommodations are about.

The workshop ended at 7:05 PM.

Prepared by Planning Director Michele Gagnon

Affordable Housing Workshop Bar Harbor, Maine

February 23, 2022



MaineHousing
MAINE STATE HOUSING AUTHORITY

About MaineHousing:



Envisions a Maine where everyone can afford a good, safe home.



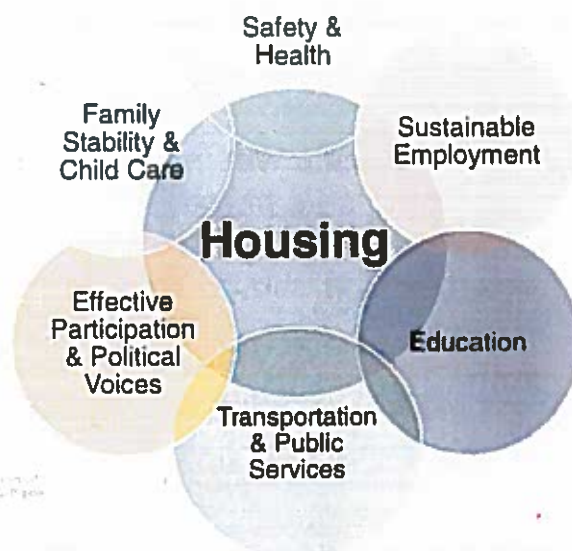
Serves more than 90,000 households each year.



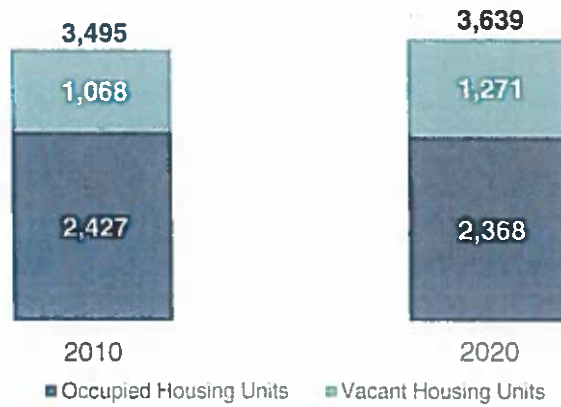
Invests more than \$300 million in Maine's economy each year.



Why is housing important?



Housing Occupancy: Bar Harbor



Source: US Decennial Census 2010 and 2020



Housing Affordability



Housing Cost Burden

Town	Owner Cost Burden	Renter Cost Burden
Bar Harbor	442 (30%)	294 (33%)
Mount Desert	115 (17%)	28 (22%)
Southwest Harbor	86 (19%)	84 (39%)
Tremont	160 (30%)	55 (31%)
Lamoine	140 (19%)	25 (27%)
Trenton	109 (18%)	66 (35%)
Hancock County	3,340 (18%)	2,117 (38%)
Maine	89,942 (22%)	65,889 (42%)

Source: 2019: ACS 5-Year DP04

A household is housing cost burdened when they pay more than 30% of their income on housing related costs.



Malnebiz

NEWS EDITORS LISTS PODCASTS VIEWPOINTS OUR EVENTS CALENDAR BIZ MARKETPLACE

11:00 AM EST FRIDAY, 2/18/22

January home prices up by double digits again, while sales continue to plateau

Maine home listings pricey and scarce, with mortgage rate hikes on the way

By Hannah LaCaire

February 18, 2022

BDN BANGOR DAILY NEWS

1st-time homebuyers in Bangor are getting outbid during housing crunch

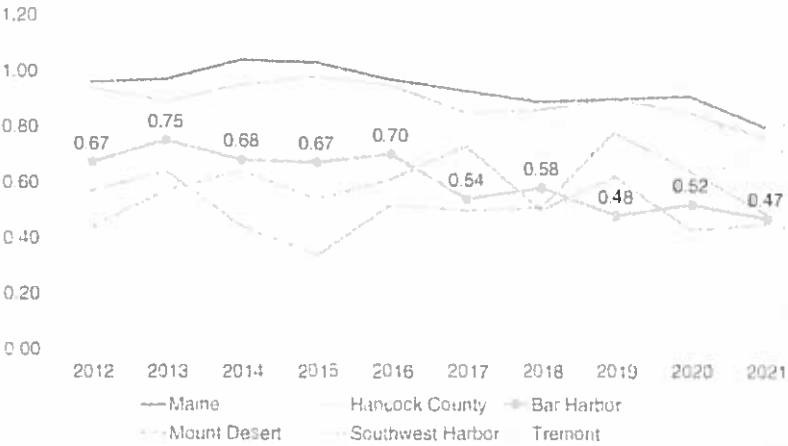




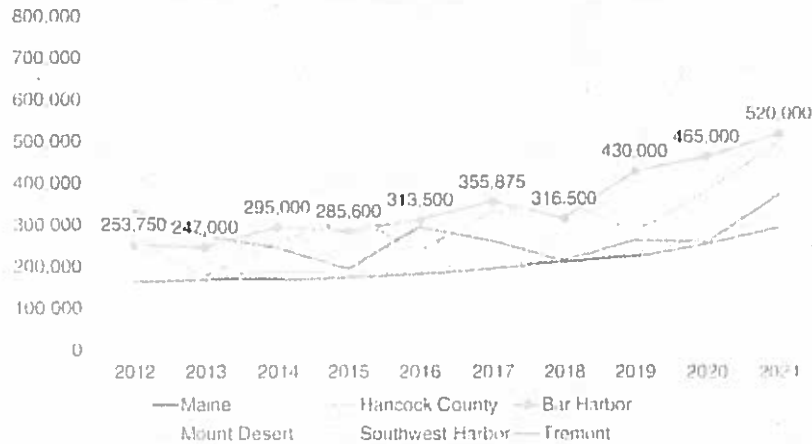
An average-priced home is unaffordable to average income households on MDI.



**Homeownership Affordability Index
2012 - 2021**



Median Home Price 2012 - 2021: Selected Maine Geographies



Financial Characteristics

Town	Median HH Income	Owner-Median HH income	Renter-Median HH Income
Bar Harbor	\$66,591	\$83,104	\$47,549
Mount Desert	\$76,920	\$102,788	\$42,228
Southwest Harbor	\$58,017	\$63,958	\$27,892
Tremont	\$61,146	\$65,104	\$33,750
Lamoine	\$69,500	\$71,250	\$51,406
Trenton	\$70,341	\$81,392	\$43,063
Hancock County	\$57,178	\$67,005	\$31,372
Maine	\$57,918	\$70,344	\$32,235

Source: 2019: ACS 5-Year S2503



Area Median Income – Hancock County

	Family Size			
	One	Two	Three	Four
Extremely Low Income (30% AMI)	15,100	17,420	21,960	26,500
Very Low Income (50% AMI)	25,150	28,750	32,350	35,900
60% AMI	30,180	34,550	38,820	43,080
Low Income (80% AMI)	40,250	46,000	51,750	57,450



227 Subsidized units needed in Bar Harbor

 100 family units

 127 older adult units

Households that have an income of 40-60% Area Median Income that would qualify to live in a MaineHousing financed project.



Best Practices to Encourage Housing Development



MaineHousing
MAINE STATE HOUSING AUTHORITY

[About Us](#) [Programs & Services](#) [Partners](#) [Policy & Resources](#) [Contact Us](#)

Building Community Together

2022 Community Solutions Grant

Through the 2022 Community Solutions Grant, the Maine Housing Authority is seeking innovative solutions to address the housing needs of the state's most vulnerable populations. The grant is designed to support community-based organizations that are working to address the housing needs of the state's most vulnerable populations.

Housing Development Toolkit

The Housing Development Toolkit is a comprehensive resource for housing developers and community organizations. It provides a step-by-step guide to the housing development process, from site selection to construction. The toolkit also includes information on financing options, regulatory requirements, and best practices for community engagement.

Local Housing Solutions

Local Housing Solutions is a program that provides technical assistance and financial support to local housing developers and community organizations. The program is designed to help these organizations overcome the barriers to housing development and create affordable housing for the state's most vulnerable populations.

Joint Center for Housing Studies of Harvard University

The Joint Center for Housing Studies of Harvard University is a leading research organization in the field of housing. The center provides research, policy analysis, and technical assistance to housing developers and community organizations. The center's research is widely cited in the housing policy and development literature.

University of Utah

The University of Utah is a leading research organization in the field of housing. The university provides research, policy analysis, and technical assistance to housing developers and community organizations. The university's research is widely cited in the housing policy and development literature.

Urban Institute

The Urban Institute is a leading research organization in the field of housing. The institute provides research, policy analysis, and technical assistance to housing developers and community organizations. The institute's research is widely cited in the housing policy and development literature.



Housing development toolkit



By-right development



Eliminate off street parking requirements



Streamline permitting



High density and MF zoning



Inclusionary Zoning



ADUs



Tax abatements



Maine Housing Programs




MaineHousing
MAINE STATE HOUSING AUTHORITY








Ready to buy a home? We're here for you.

WHY A MAINEHOUSING FIRST HOME LOAN?


A First Home Loan from MaineHousing is the most affordable way to buy your first home or return to home ownership.



Below Market Rates

No and Low Down-payment options

Full Program Details



Housing Development: Single Family

Affordable Home Ownership Program

Gov. Mills launches \$10 million loan program for affordable single-family home construction

■ Governor-elect Dan Claitor announced today that he will launch a \$10 million loan program to help with the construction of affordable single-family homes.

By Kelley Bouchard

January 28, 2022

Forgivable loan of \$300,000 to \$1,400,000 for the creation of affordable single family homes.



Housing Development: Multifamily

Low Income Housing Tax Credits

Provides 30% or 70% of equity for eligible costs.

Can be combined with other public financing:

- ***Federal HOME***
- ***State HOME***
- ***CDBG***
- ***TIF***
- ***and others***



Other housing programs



Community Solutions Grant



Aging in Place



Weatherization



Pre-1976 mobile home replacement



Clyde Barr

Policy Analyst

cbarr@mainehousing.org



MaineHousing
MAINE STATE HOUSING AUTHORITY

Maine State Housing Authority ("MaineHousing") does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Palensude, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330 6046, 1 800 452 4668 (voice in state only), (207) 626 4600 (voice), or Maine Relay 711.



Michele Gagnon

From: duane.bartlett@emdiha.org
Sent: Thursday, February 24, 2022 3:48 PM
To: Michele Gagnon
Subject: BHHA Waiting lists

Michele,

Please share with last night's group these Bar Harbor HA waiting list numbers:

- We currently have 44 eligible applicants on the BHHA's waiting lists.
- Just 9 of them being from Bar Harbor
- 12 from other Hancock County towns
- 23 from outside of Hancock County

Please let me know if anyone wants additional information.

Thank you,

Duane

Duane Bartlett
Executive Director
MDI & Ellsworth Housing Authorities
207-288-4770 ext. 111
www.emdiha.org

HOUSING AUTHORITY
ATTACHMENT C

DECLARATION OF AFFORDABLE HOUSING COVENANTS
OF WEST EDEN MEADOWS SUBDIVISION
BAR HARBOR, MAINE

This Declaration of Affordable Housing Covenants is made this 19th day of March, 1999, by TOWN OF BAR HARBOR HOUSING AUTHORITY, a Maine corporation (hereinafter the "Declarant"), and accepted by TOWN OF BAR HARBOR HOUSING AUTHORITY, a Maine non-profit corporation (hereinafter the "Qualified Holder").

WHEREAS, the Declarant is the owner of a certain lot or parcel of land located on the Crooked Road in Bar Harbor, Maine, being those premises described in a deed from Bronfeld Realty Company to the Town of Bar Harbor Housing Authority, dated June 26, 1997, and recorded in the Hancock County Registry of Deeds in Book 2661, Page 550. Reference is also made to the recorded subdivision plan of West Eden Meadows subdivision which is recorded in the Hancock County Registry of Deeds in Plan file 28, Page 56, as revised by plan recorded in the Hancock County Registry of Deeds in File 29, Page 6.

WHEREAS, the Declarant intends to develop the property into a residential subdivision containing twenty-one (21) lots, numbered 1-21. This Declaration of Affordable Housing Covenants shall be applicable to Lots 1-21 excepting Lots 14 and 15.

WHEREAS, the Declarant wishes each of the lots in the Property so designated to be reserved for Eligible Purchasers to remain affordable and subject to this Declaration of Affordable Housing Covenants for an initial period of fifty (50) years from the date of the first conveyance of each such lot so designated to a purchaser other than the Declarant, which period may be extended as provided herein; and

WHEREAS, the Qualified Holder has agreed to accept this Declaration and the rights and duties to be performed and/or administered by it as set forth herein.

NOW, THEREFORE, the Declarant hereby declares that such lots as are so designated shall be held, occupied, improved, transferred, sold, leased and conveyed subject to the covenants, restrictions, reservations, easements and exceptions set forth herein, all of which are declared to be in furtherance of a uniform scheme for the development of such lots; and that such affordable housing covenants are intended to enhance and protect the value and desirability of such lots as a whole, to mutually benefit each of the parcels located thereon, and to create reciprocal rights and privities of contract and estate between all persons acquiring or owning any interest in any portion of the Property subject to the covenants, including the Declarant and the Qualified Holder, its grantees, successors and assigns and shall be deemed to run with the land and be a burden and benefit to and enforceable by all such persons, including its grantees, successors and assigns.

ARTICLE 1
DEFINITIONS

The following words when used in this Declaration or any supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

A. Affordable Housing Covenant. The term Affordable Housing Covenant has the meaning set forth in 33 M.R.S.A. § 121, as from time to time amended.

B. Affordability Covenants. All of the covenants, easements and restrictions set forth in this Declaration, except for the Use Restrictions identified in Article V hereof.

C. Declarant. Town of Bar Harbor Housing Authority, a Maine corporation, its successors and assigns.

D. Discount. A reduction in the sale price of a lot, with any improvements thereon from the fair market value of such lot or the initial sales price as established by the Declarant. The Discount shall apply only to lots designated by the Declarant to be subject to this Declaration of Affordable Housing Covenants, and not to any improvements thereon. The Discount, stated as a percentage of the fair market value or initial sale price of a lot, may vary from lot to lot based upon the subsidies available for which an initial purchaser qualifies. The Discount, stated as a percentage reduction in the initial sale price shall be set forth in the deed from the Declarant to the Owner. Once established, the Discount shall remain fixed for such lot during each Owner's period of ownership. Upon a transfer of a lot by an Owner to an Eligible Purchaser, the Discount may be reestablished in a higher or lower amount at the sole discretion of the Qualified Holder, based upon the level of subsidy to which such subsequent Eligible Purchaser qualifies.

E. Eligible Purchasers. Individuals or families whose household income does not exceed one hundred and twenty-five percent (125%) of the Median Income for the Metropolitan Statistical Area in which the Property is located. Notwithstanding the foregoing, at least eight (8) of the lots shall be reserved for sale to Eligible Purchasers whose household or family income does not exceed eighty percent (80%) of Median Income; at least twelve (12) lots shall be reserved for sale to Eligible Purchasers whose household income does not exceed one hundred and twenty-five percent (125%) of Median Income; and two (2) lots shall be sold at market price to any purchaser. The allocation of lots contained in this section is intended to be a general guide to promote affordability and desirability of lots within the subdivision and may be altered, adjusted or revised by the Qualified Holder in accordance with any applicable requirements of the Town of Bar Harbor.

F. Holder. The Qualified Holder of the Affordable Housing Covenant or any successor Qualified Holder.

G. Lot. Lots 1 through 21 inclusive, excepting Lots 14 and 15 in West Eden Meadows Subdivision as shown on the Plan, including any improvements or buildings located thereon.

H. Median Income. The median income of the residents within the Town of Bar Harbor, Maine Metropolitan Statistical Area (MSA). The median income within the Town of Bar Harbor MSA is determined in accordance with regulations promulgated by the United States Department of Housing and Urban Development.

I. Mortgage. Any mortgage deed or deed of trust and any and all similar instruments used for the purpose of conveying or encumbering a lot or lots as security for the payment or satisfaction of an obligation. A "mortgagee" shall mean the holder of a Mortgage.

J. Owner. The record owner, whether one or more persons or entities, of the fee simple title to any lot designated to subject to this Declaration; however, the term shall exclude the Declarant and those having an interest merely as security for the performance of any obligation until and unless the holder of such Mortgage or obligation has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

K. Plan. The Subdivision Plan of West Eden Meadows Subdivision, Bar Harbor, Maine, for Mount Desert Island Housing Authority, recorded in the Hancock County Registry of Deeds in Plan Book 28, Page 56, as revised by plan recorded in the Hancock County Registry of Deeds in Plan Book 29, Page 6, all as same may be supplemented and amended from time to time.

L. Property. The land of the Declarant as shown on the Plan and as further described in Exhibit A to this Declaration.

M. Qualified Holder. The term Qualified Holder has the meaning set forth in 33 M.R.S.A. § 121. Town of Bar Harbor Housing Authority, a Maine non-profit corporation is the initial Qualified Holder of the covenants described herein.

N. West Eden Meadows Subdivision. The Single Family Residential Subdivision established by Declarant off Crooked Road in Bar Harbor, Maine, and subject to this Declaration.

O. Recapture Amount. The amount to be paid to the Qualified Holder in the event of a sale by an Owner of a Lot subject to this Declaration to a person who is not an Eligible Purchaser as set forth in Section B of Article IV hereof.

P. Registry or Registry of Deeds. The Hancock County Registry of Deeds.

Q. Right of First Refusal. The right of first refusal established pursuant to Article III hereunder for the benefit of the Qualified Holder, its successors and assigns.

R. Right of First Refusal Price. The price to be paid by the Qualified Holder, a Successor Qualified Holder or their designee for a Lot in exercise of the Qualified Holder's Right of First Refusal as set forth in Article III hereof.

S. Successor Qualified Holder. Any entity which succeeds to the interest of the Qualified Holder as the holder of the Affordable Housing Covenant by assignment or other suitable instrument of conveyance recorded in the Hancock County Registry of Deeds and signed by the Qualified Holder and the Successor Qualified Holder. Any prior Qualified Holder shall be released from any future obligations of a Qualified Holder hereunder at the time of recording of the instrument establishing the successor as a Successor Qualified Holder.

T. Use Restrictions. The restrictions set forth in Article V hereof which shall apply to all of the lots, and which shall continue to apply to any lot after payment of the Recapture Amount.

ARTICLE II

Establishment of Affordability Covenants

A. Declaration. The Declarant hereby establishes and declares that such Lots as shall be so designated at the time of sale or transfer by the Declarant or Qualified Holder shall be subject to the Affordability Covenants. Such Lots shall be reserved for the purchase by Eligible Purchasers and shall, except as set forth herein, be and remain subject to the covenants and restrictions set forth in this Declaration.

B. Acceptance by Qualified Holder. The Qualified Holder hereby accepts the covenants, rights and restrictions set forth in this Declaration and agrees to act as Qualified Holder with respect thereto.

C. Term. Such Lots shall remain subject to all of the Affordability Covenants set forth herein for a term continuing until the later of (a) fifty (50) years from the date of recording of this Declaration and the first sale of a lot in the Property to a purchaser, or (b) thirty (30) years from the date such lot is transferred by any Owner to an Eligible Purchaser. Notwithstanding the foregoing, upon the sale of a Lot to a Purchaser who is not an Eligible Purchaser, and upon payment of the Recapture Amount, all of the Affordability Covenants hereunder shall cease and terminate with respect to such Lot. Upon payment of the Recapture Amount, the Holder or its agent shall execute a release or join in the conveyance of the Lot to indicate the release of the Lot from the Affordable Housing Covenants and the lien created hereunder.

Notwithstanding the foregoing term limit, the Declarant may extend the term during which the Lots shall remain subject to all of the covenants and restrictions set forth herein provided that such extension occurs within the defined term and is for a definite period of time ("further term") and is agreed to in writing by the Qualified Holder and by owners of two-thirds of the lots whether those lots have been sold or not.

D. Procedures for Initial Purchase of Lots. Any person wishing to purchase one of the Lots subject to this Declaration shall submit an application to the Holder or its agent or designee in the form prescribed by the Holder. The application shall include, but shall not be limited to, the applicant's current sworn financial statement, including all sources of income for each member of

the applicant's household. The applicant shall also provide the Holder or its agents or designee, including any mortgagee providing mortgages on the Property, with such additional information and application as may be required by such mortgagee. The decision of the Holder or its agent or designee as to whether or not an applicant is an Eligible Purchaser shall be made solely by the Holder or its agent or designee, and neither the Holder or any agent or designee shall have any liability whatsoever for failure to approve an applicant as an Eligible Purchaser, except as may be required by law. The qualification as an Eligible Purchaser by the Holder or any of its agents does not constitute approval of any financing for such Eligible Purchaser's purchase and it shall remain the responsibility of the Eligible Purchaser to obtain the necessary financing to purchase the Lot. The Holder may establish additional procedures for the initial purchase of Lots, which procedures are available from the Holder or its agents and which procedures may change from time to time.

The Holder hereby designates the Declarant as its agent for administering and carrying out the procedures for the initial purchase of Lots as set forth in this Article II. This designation as agent shall continue until the earlier of the sale of all of the Lots, or until a revocation of such authority is recorded in the Hancock County Registry of Deeds. The Declarant shall have the right, in its sole discretion, to release lots for sale in any particular order, to reserve any of the Lots for Eligible Purchasers earning less than 125% of Median Income as set forth in paragraph E of Article I, or withhold any of the Lots. Neither the Holder, nor the Declarant shall have any liability to any Owner or prospective Owner with respect to the exercise of its discretion concerning the sale of any Lots.

ARTICLE III

Sale of Lots by Owners

A. Notice of Intent to Sell. In the event that an Owner of a Lot subject to this Declaration intends to sell his or her Lot, or to offer such Lot for sale, the Owner shall first provide the Holder with written notice of the Owner's intent to sell together with a current fair market value appraisal of the Lot valuing both the value of the improvements and the value of the land alone, exclusive of any improvements located thereon prepared by a licensed Maine real estate appraiser acceptable to the Holder. The cost of the appraisal shall be paid for by the Owner of the Lot.

B. Right of First Refusal. The Holder shall have the right and option, for a period of 60 days from receipt of the Owner's notice of intent to sell and receipt of the appraisal to purchase such Owner's Lot for a price equal to the fair market value as determined by appraisal, less the Discount applicable to such Lot thereon. The appraisal provided by the Owner shall be used to establish fair market value unless the Holder elects, in writing within fifteen (15) days of receipt of the Owner's appraisal to obtain additional appraisals. The Holder may appoint an additional appraiser to appraise the Lot exclusive of any improvements thereon and such appraiser shall designate a third appraiser not affiliated with the other two appraisers to appraise the Lot exclusive of any improvements. In such case, the fair market value of the Lot for purposes of determining the recapture amount shall be the average of the three (3) appraisals, and the Holder's 60 day Right of First Refusal shall commence upon receipt by Holder of the remaining two (2) appraisals. Any additional appraisals

shall be performed by licensed Maine appraisers hired to determine the fair market value of the Lot at Holder's expense. No appraisal shall take into account the effect, if any, of the Affordable Housing Covenants created hereunder when establishing the fair market value of such Lot. The Holder may exercise its option by providing the Owner with written notice of its intent to exercise the option at any time during the 60 day Right of First Refusal. In the event of such exercise of the option during such period, the Holder shall have an additional forty-five (45) days, following the expiration of such 60-day period to close on the purchase of the Lot. The Holder may purchase the Lot in its name, in the name of any subsidiary or affiliate, or the Holder may assign the option to an individual or individuals who qualify as Eligible Purchasers. Closing costs actually incurred in the transaction including, without limitation, brokerage commissions, transfer taxes, attorney's fees and prorations shall be paid for by the Owner, as seller, and by the Holder or its assignee or nominee, as buyer, in the customary manner according to Maine real estate practice. The Holder may assess a reasonable fee which shall be payable by the Owner to cover the Holder's administrative costs of the transaction including any out-of-pocket costs incurred other than the cost of any additional appraisals which may be requested by Holder.

C. Failure to Exercise the Right of First Refusal. In the event that the Holder fails to exercise its Right of First Refusal within such 60-day period, the Owner shall be free to sell the Lot to any purchaser. If the purchaser of the Lot is not an Eligible Purchaser, the Lot may not be sold except upon payment of the Recapture Amount as set forth in Article IV below. Upon payment of the Recapture Amount, the Lot shall be sold and shall remain free of the Affordability Covenants, but shall remain subject to the Use Restrictions. Upon the payment of the Recapture Amount, the Holder shall execute a release or join in the Owner's deed of conveyance, releasing the Lot from the Affordability Covenants and the lien created hereunder. Nothing set forth herein shall prevent an Owner from selling a Lot to an Eligible Purchaser after expiration and non-exercise of the Right of First Refusal. In such case, the Holder shall determine whether any such proposed purchaser is an Eligible Purchaser. Upon the sale of the Lot to an Eligible Purchaser, the Lot shall remain subject to the Affordability Covenants. A lot initially reserved for and sold to an Eligible Purchaser earning less than 125% of Median Income may thereafter be sold to any Eligible Purchaser. In the event that the Holder purchases the Lot in exercise of its Right of First Refusal, or in the event that the Holder assigns its Right of First Refusal to an Eligible Purchaser, the Holder shall use reasonable efforts to cause any Lot initially sold to an Eligible Purchaser earning less than 125% of Median Income to be sold to a subsequent Owner whose income falls within the same approximate percentage of Median Income.

D. Limited Transfers. The following transfers shall be permitted within the Right of First Refusal set forth in this Declaration:

1. Any Transfer pursuant to divorce among and between any two married Owners of a Lot or between an Owner and his or her spouse;
2. Any Transfer resulting from the death of one or more owners of a Lot, by operation to law or pursuant to any will or trust to a spouse, child, parent, grandparent or grandchild of any Owner.

For purposes hereof, the term child includes adopted children and stepchildren;

3. Any Transfer by any financial institution or state housing authority or other institutional mortgage holder which is the holder of a first mortgage upon the Lot in connection with any foreclosure proceeding,

4. Any Transfer to any financial institution, state housing authority or any other institutional mortgage holder which is the holder of a first mortgage upon a Lot in lieu of foreclosure;

E. Effect of Limited Transfer. After any transfer pursuant to Paragraph I and 2 of Article III, Section D above, the Lot shall remain subject to all of the covenants, conditions and restrictions set forth in this Declaration, including the Affordability Covenants. Any transfer by or to a mortgagee in connection with a foreclosure proceeding or in lieu of foreclosure, as set forth in Paragraphs 3 or 4 of Article III, Section D, above shall be free and clear of all of the Affordability Covenants. Notwithstanding the foregoing, nothing set forth herein shall prevent the Holder or affiliate of the Holder from purchasing a Lot at any foreclosure sale or from any mortgagee. In such case, the Holder, its successors and assigns may re-subject such Lot to the Affordability Covenants, by the recording of a supplemental Declaration or joinder agreement. Nothing set forth herein shall prevent any mortgagee from selling such Lot subject to the Affordability Covenants to an Eligible Purchaser in any foreclosure proceeding or after acquisition of title to the Lot by the mortgagee. The Holder shall, upon request, and upon receipt of the necessary information and a processing fee, provide a reasonably prompt determination as to a purchaser's qualification as an Eligible Purchaser. In any such case, the deed of conveyance or an affidavit of the Holder shall indicate that the Lot is being sold subject to the Affordability Covenants.

F. Prohibition of Certain Transfers. Except for the limited transfers described in this Article II, and except for leases approved by the Holder as set forth in this Article IV below, no Owner shall sell, lease, contract to lease, enter into any installment sales contract, bond for a deed or otherwise transfer any Lot to a person not approved as an Eligible Purchaser by the Holder. No transfer, sale, lease, deed, contract to sell, installment sales contract or bond for a deed which has not been approved by the Holder shall be effective to transfer title to a Lot except upon approval by the Holder or upon payment of the Recapture Amount to the Holder following the Holder's failure to exercise its right of first refusal. Approval by the Holder must be in writing and signed by the Holder in a form suitable for recording in the Registry of Deeds, and must be recorded in order for any such transfer of title to a Lot to be effective.

G. Failure of Owner to Convey Title. In the event that an Owner of a Lot fails to convey title to the Lot to the Holder or its nominee or assignee in exercise of the Holder's Right of First Refusal, the Holder may bring an action in the Hancock County Superior Court to obtain an injunction or for damages and for attorney's fees which shall be paid by the Owner if the Holder is successful in its action. Nothing set forth herein shall preclude an Owner from electing, in good faith, not to sell its Lot at any time prior to the Holder's exercise of its Right of First Refusal. In such case, the Lot Owner shall pay to the Holder an amount equal to the out-of-pocket costs incurred by the Holder as

a result of the Owner's notice of intent to sell, including the cost of any appraisals ordered by the Holder.

H. Improvements to Lots. Nothing herein shall prevent the Owner of a Lot subject to the Affordability Covenants from making any improvements to such Lot subject to the use restrictions and restrictive covenants as stated herein and recorded in the Declaration of Restrictive Covenants. Any increase in the value of such Lot as a result of such improvements shall not be subject to the Discount upon any resale in exercise of the Holder's Right of First Refusal or to an Eligible Purchaser.

1. Leasing of Lots. No Lots subject to the Affordability Covenants shall be leased by an Owner except with the written consent of the Holder. The written consent of the Holder shall not be unreasonably withheld in the event that the Owner's request to lease such Lot is due to temporary personal employment or financial circumstances where the Owner reasonably expects to re-occupy the Lot within eighteen (18) months or where the Owner's request to Lease is due to the Owner's inability to sell the Lot having made reasonable attempts to do so where the Owner's reason for sale resulted from the Owner's desire to relocate due to:

1. Increase in Owner's family size;
2. Need to relocate for health reasons; or
3. Need to relocate to continue or find suitable employment.

Consent to lease a Lot given by the Holder shall remain in effect for a period of one (1) year. In the event the Owner wishes to continue with the rental of the Lot, the Holder must consent to the continuation of such rental on an annual basis. Nothing set forth in this Paragraph I shall prohibit the use of any portion of a dwelling on a lot as an in-law apartment to the extent permitted by the ordinances of the Town of Bar Harbor. Any such consent by the Holder must be in writing and signed by the Holder in a form that may be recorded, if necessary.

ARTICLE IV Recapture of Discount Subsidy

A. Failure to Exercise Option. If the Holder elects to forever waive its Right of First Refusal, or if the Holder has failed to exercise its Right of First Refusal to acquire a Lot within the times set forth herein, after the expiration of such time period, and upon payment in full of the Recapture Amount, the Owner shall be free to sell such Lot to any purchaser free and clear of the Affordability Covenants. Notwithstanding the foregoing, the Owner may elect to sell such Lot to an Eligible Purchaser, with the Owner receiving an amount equal to the value of the Lot, less the existing Discount, with the Affordability Covenants to continue. The purchase price paid by the subsequent Eligible Purchaser shall be the fair market value of the Lot, established by the Holder for such sale

which may be more or less than the Discount previously in effect for such Lot.

B. Recapture Amount. In the event that the Owner sells the Lot to a purchaser who is not an Eligible Purchaser, following the failure of the Holder to Exercise its Option, the Holder shall receive from the purchase price the Recapture Amount set forth in this Article IV. The Recapture Amount shall be equal to the product of (a) the gross sales price which the Owner has contracted to receive, less a reasonable broker's commission (not to exceed seven percent (7%), multiplied by (b) the Discount (stated in terms of a percentage).

C. Further Notices to Holder. Upon the Owner's entry into any agreement to sell a Lot, the Owner shall provide the Holder with a copy of the Agreement to sell the Lot within ten (10) days of entering into any such agreement. In the event that any Lot is to be sold to a person other than an Eligible Purchaser, and in the event that the purchase price to be paid by such purchaser is less than ninety percent (90%) of the fair market value as determined by appraisal as set forth above, the Holder may elect to purchase the Lot or cause the Lot to be sold to an Eligible Purchaser for an amount and upon terms and conditions equal to the amount and terms to be paid or performed by such purchaser. The Holder must exercise this right by giving written notice to Owner within fifteen (15) days of the time the Housing Authority receives a copy of the Agreement to Sell. The sales price shall be the same as is set forth in the Agreement to Sell. The closing and transfer of the deed shall occur no sooner than thirty (30) days after the Holder's exercise of its election to purchase the property. The Holder shall have the right to specify further terms and procedures for its exercise of this right.

D. Payment of Recapture Amount. The Recapture Amount shall be paid to the Holder at the closing on the sale of a Lot to a person other than an Eligible Purchaser. The Recapture Amount shall be paid in cash, certified or bank cashier's check, wire transfer or in other funds acceptable to the Holder. Any unpaid Recapture Amount shall remain the personal obligation of the Owner to the Holder, shall bear interest at a rate equal to the prime rate as published in the Wall Street Journal, as it may vary from time to time, plus two percent (2.00%) and may be enforced by action to collect such indebtedness. In any such action to collect any unpaid Recapture Amount, the Owner shall be obligated to pay to Holder the costs of collection including a reasonable attorney's fee.

E. Lien-for-Value to Secure Payment of Recapture Amount. The recordation of this Declaration shall provide record notice of an automatic lien-for-value in favor of the Holder to secure payment of the Recapture Amount, which the parties agree shall be the value so secured. This lien-for-value shall be and remain subordinate to a first Mortgage granted to a financial institution, state housing authority or other institutional mortgage holder including any and all interest and costs (including reasonable attorney's fees) secured by such first mortgage, but shall have priority over any other mortgage, lien, encumbrance or conveyance recorded after recordation of this Declaration. Upon payment of the Recapture Amount, the Holder shall record a discharge of the lien applicable to such Lot or shall join in the deed of conveyance to effect a release of the lien.

F. Obligations of Owner Upon Transfer of Title. At the closing on the sale of a Lot subject to this Declaration by an Owner, the Owner shall pay and discharge, from the Owner's own funds and not from the Discount subsidy, any and all liens, mortgages and other encumbrances upon the Lot, including any and all past due real estate taxes and municipal assessments. The obligations of the Owner as set forth in this paragraph are intended to insure that the Discount subsidy to be recaptured or transferred to a subsequent Eligible Purchaser is not reduced by amounts necessary to pay any obligations of the Owner except for the Owner's first mortgage held by a financial institution or state housing finance agency as is set forth in Article III (d)(3) and (4), and the prorated portions of any applicable municipal taxes and assessments, prorated to the Owners period of ownership.

G. Affidavit of Holder. An affidavit of the Holder stating that the purchaser of a Lot subject to this Declaration qualifies as an Eligible Purchaser or that the Recapture Amount was paid to the Holder in connection with the sale of a Lot to a person other than an Eligible Purchaser shall be conclusive evidence of the matters set forth in such affidavit. Any such affidavit shall be recorded in the Hancock County Registry of Deeds. Such affidavit shall be deemed sufficient to meet the requirements of written consent by the Holder as required under III(F) and III(I).

H. Use of Recapture Amount. Any Recapture Amount shall be the sole property of the Holder to be used to provide additional subsidies to provide affordable housing opportunities. Any and all Recapture Amounts shall be deposited by the Holder into one or more deposit accounts which shall hold only Recapture Amounts. Uses of the Recapture Amount for the benefit of the Property shall include, but not be limited to, the use by the Holder to purchase any Lots in the Subdivision, whether pursuant to a Right of First Refusal or otherwise or in order to provide or assist any Eligible Purchaser with a Discount to enable such purchaser to acquire such Lot.

ARTICLE V **Use Restrictions**

All Lots identified in ARTICLE 1(G) shall be subject to the Declaration of Protective Covenants and Restrictions of West Eden Meadows Subdivision, to be recorded in the Hancock County Registry of Deeds of substantially even date with this Declaration, to which reference is made as if fully set forth herein.

ARTICLE VI **Reserved Rights and Easements**

The Declarant reserves the following rights and easements over and upon the Property:

A. Enforcement Easement. The Declarant reserves the right and easement for the benefit of the Holder to enable the Holder to enter onto any and all portions of the Property, including the Lots designated to be subject to this Declaration but excluding any structure upon any Lots, for the

supplemental Declaration or an amendment to this Declaration signed by the Declarant and the Holder. After the sale of any of said Lots having been made subject to this Declaration, any amendment to this Declaration shall be approved by the Holder and the Owners of seventy-five percent (75%) of the Lots subject to this Declaration, except that the Holder alone may execute and record an amendment to correct any technical or clerical errors herein. An amendment executed by the Holder certifying that seventy-five percent (75%) of the Owners of subject lots have approved the amendment shall be conclusive proof of the approval of the Owners.

ARTICLE X
Miscellaneous

A. All of the covenants, conditions, restrictions and easements set forth in this Declaration shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the Declarant, the Holder and the Owners of subject lots.

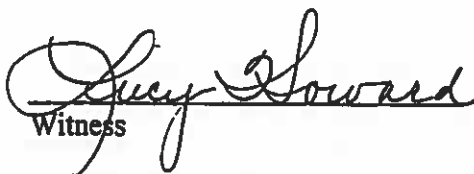
B. No waiver by the Declarant or by any party entitled to enforce any of the covenants and restrictions set forth herein shall be deemed a waiver of such covenants and restrictions by such party at any time thereafter.

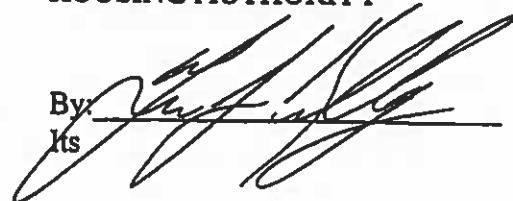
C. These covenants shall be construed in accordance with Maine law, including without limitation 33 M.R.S.A. §121 et seq., as from time to time amended, entitled Affordable Housing Covenants.

D. Any dispute arising under Article III and/or Article IV between the Declarant and one or more Owners, between the Holder and one or more Owners or between any two or more Owners shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association or such other rules or agreements for binding arbitration as the parties to such arbitration may mutually agree. Notwithstanding the foregoing, nothing set forth herein shall preclude the Declarant, the Holder or any Owner from obtaining temporary injunctive relief pending an arbitrator's decision or injunctive relief to enforce an arbitrator's decision.

IN WITNESS WHEREOF, the Declarant has declared and executed this Declaration as a sealed instrument, and the Holder has accepted this Declaration as of the date and year first above written.

DECLARANT:
TOWN OF BAR HARBOR
HOUSING AUTHORITY


Witness

By: 
Its

STATE OF MAINE
Hancock, ss.

March 19, 1999

Then personally appeared the above-named, Terrance Kelley of the Town of Bar Harbor Housing Authority and acknowledged the foregoing Declaration to be his free act and deed in said capacity and the free act and deed of Town of Bar Harbor Housing Authority.

Susan H. McKay

Name:

Notary Public/~~Attorney-at-Law~~

SUSAN H. MCKAY
Notary Public, Maine
My Commission Expires November 27, 2004

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IHT Eligibility Criteria

Following are the five basic criteria for eligibility to qualify as an applicant to an IHT program (additional requirements for HOAP funding).

1. Preferred applicants should earn between 130% (1-member household) to 160% (4-member household) *or less* of area median household income (AMI).

For 2021, the U.S. Department of Housing and Urban Development's area median income is \$75,700.

Note: Applicant households with income greater than the guidelines may qualify providing they meet certain other requirements and conditions. Preference is given to first time homebuyers.

FOR JONES MARSH HOMES: Eligible applicants should have a household income that does not exceed:

- 130% of area median income (total of \$98,500) for the single-family homes
- 100% of area median income (\$75,700) for the duplex units.

2. Applicants must agree to live in the house year-round.

ATTACHMENT D



from employment on MDI equal to or greater than 20% of the area median household income (equal to or greater than \$15,140 for a family of four or fewer for 2020).

5. Review and agree in writing to abide by affordability covenants; this includes Right of First Refusal and a resale formula.

IHT applications are processed on a first-come, first-served basis. Properties and HOAP funds are available to the next in queue with a complete application.



Planning Office

Site plan application process and workload

1. Checklist meeting

- Initial review of project by staff: meeting with applicant to determine information needed in the application

2. Completeness Review

- Quantitative review to ensure the required information has been submitted: review, notice to abutters, pre-Technical Review Team (TRT) and TRT meetings, staff report, Planning Board (PB) meeting, minutes

3. Public Hearing / Compliance Review

- Public hearing and qualitative review to ensure that the project complies with the performance standards: review, notice to abutters, pre-TRT and TRT meetings, staff report, draft decision, PB meeting, minutes

Planning Office

Subdivision plan application process and workload

1. Checklist meeting

- Initial review of project by staff: meeting with applicant to determine info needed in the application

2. Sketch Plan

- Introduction to project: review, notice to abutters, pre-Technical Review Team (TRT) and TRT meetings, staff report, Planning Board (PB) meeting, minutes

3. Site Visit / Neighborhood Meeting

- Opportunity for board/public to walk the site and for conversation with neighbors: notice to abutters and notes

4. Completeness Review

- Quantitative review to ensure the required information has been submitted: review, notice to abutters, pre-TRT and TRT meetings, staff report, PB meeting, minutes

5. Public Hearing / Compliance Review

- Public hearing and qualitative review to ensure that the project complies with the performance standards: review, notice to abutters, pre-TRT and TRT meetings, staff report, draft decision, PB meeting, minutes